A-3 – ACCRUE REIMBURSEMENTS AND ABATEMENTS

Source Document:	Billing Data, Department's Invoice for Reimbursement, Income/Abatements
Module:	General Ledger (GL)
Roles:	GL Journal Processor GL Journal Approver

Purpose: The A-3 entry records AR reimbursements and abatements. At year-end, reimbursement and abatement receivables not recorded during the year will be accrued in Period 998 in the General Ledger (GL) Module. These entries are reversed in the new fiscal year, see page 9 for more information. These entries are normally made throughout the year as invoices are prepared. Any amounts due to the department at year-end, but not yet recorded should be accrued using the following entries.

Year-end adjusting entries to accrue actual Accounts Receivable Reimbursements are as follows:

Debit 1200050 Accounts Receivable Reimbursements
Debit 126xxxx Due from other Governments
Debit 124xxxx Due from other Funds/Appropriations [1/]
Credit 48xxxxx Reimbursements [2/]

Year-end adjusting entries to accrue actual Accounts Receivable - Abatements are as follows:

Debit 1200100 Accounts Receivable - Abatements
Debit 126xxxx Due from other Governments
Debit 124xxxx Due from other Funds/Appropriations [1/]
Credit 50xxxxx Appropriated Expenses [2/]

[1/] Journal lines posted to Account 124xxxx – Due from Other Funds/Appropriations should include values in the Affiliate and Fund Affiliate fields. This information will be required to complete the year-end Subsidiaries on File and Due to/Due From reports.
[2/] Adding the Affiliate and Fund Affiliate in the Credit lines (Accounts 48xxxxx and 50xxxxx) will be helpful for research purposes.

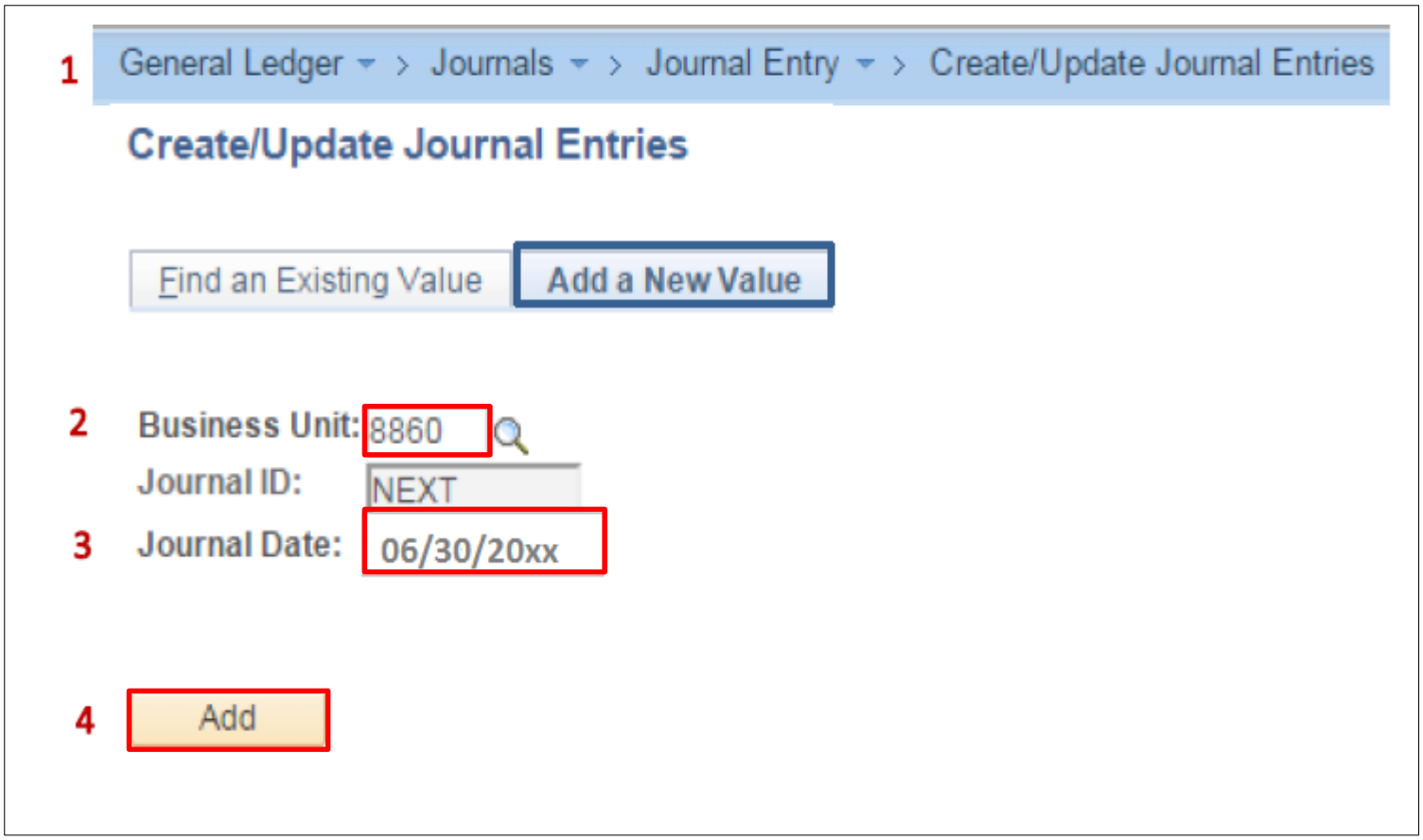
The **GL Journal Processor** will create a new GL Journal to post AR accruals.

1 – Navigate to GL > Journals > Journal Entry > Create/Update Journal Entries

2 – Enter your Business Unit in the **Add a New Value** tab

3 – Enter the date as of 06/30/20XX

4 – Click **Add**



The **GL Journal Processor** will complete the Journal Header.

1 – Enter a Long Description "**A-3–Accrue AR Reimbursement …"**

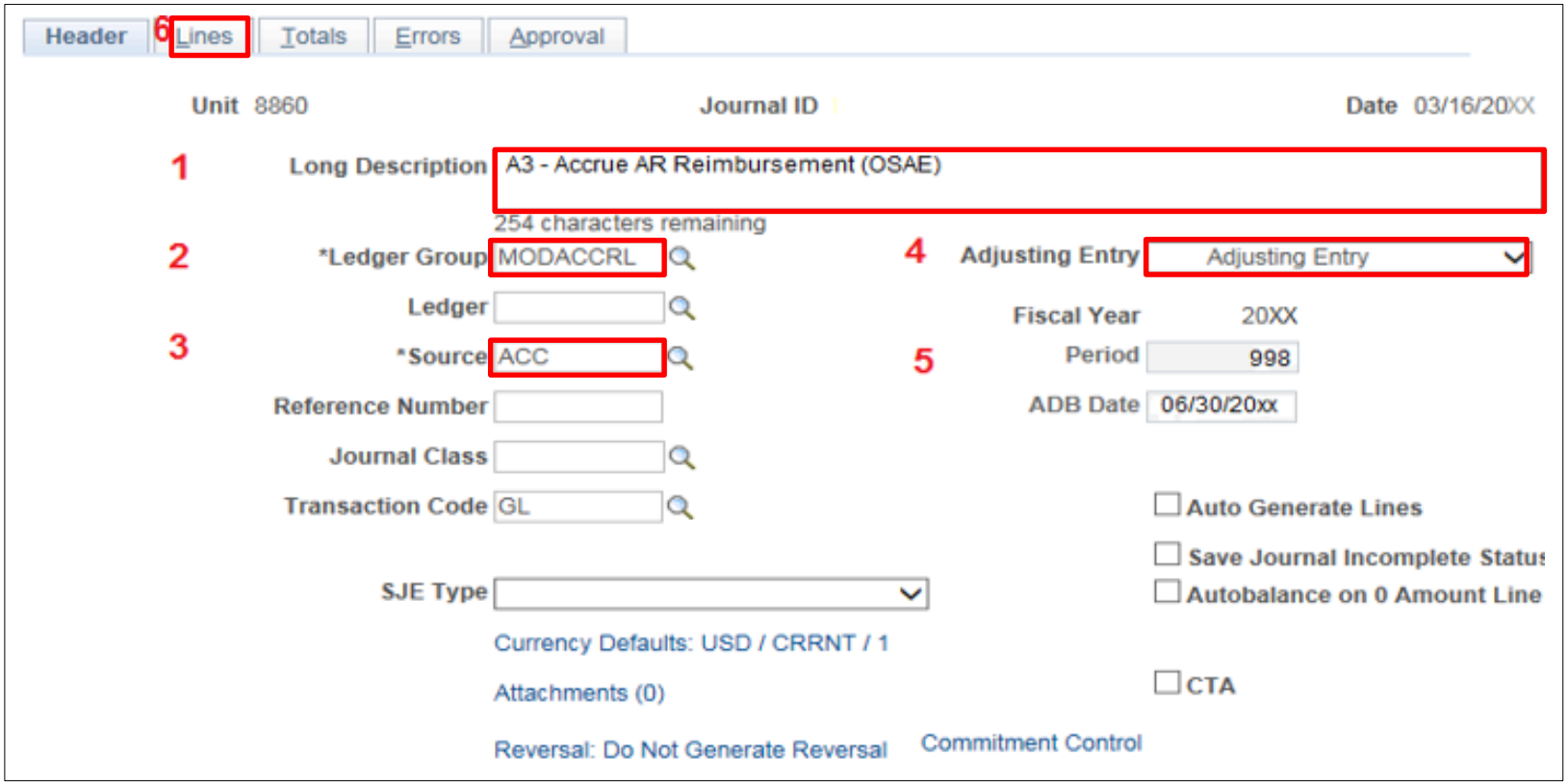
2 – Ledger Group will default to **MODACCRL**

3 – Source should be **ACC** (Accrual)

4 – Adjusting entry should be **Adjusting Entry**

5 – Period should be **998**

6 – Click the **Lines** tab to enter journal entries.



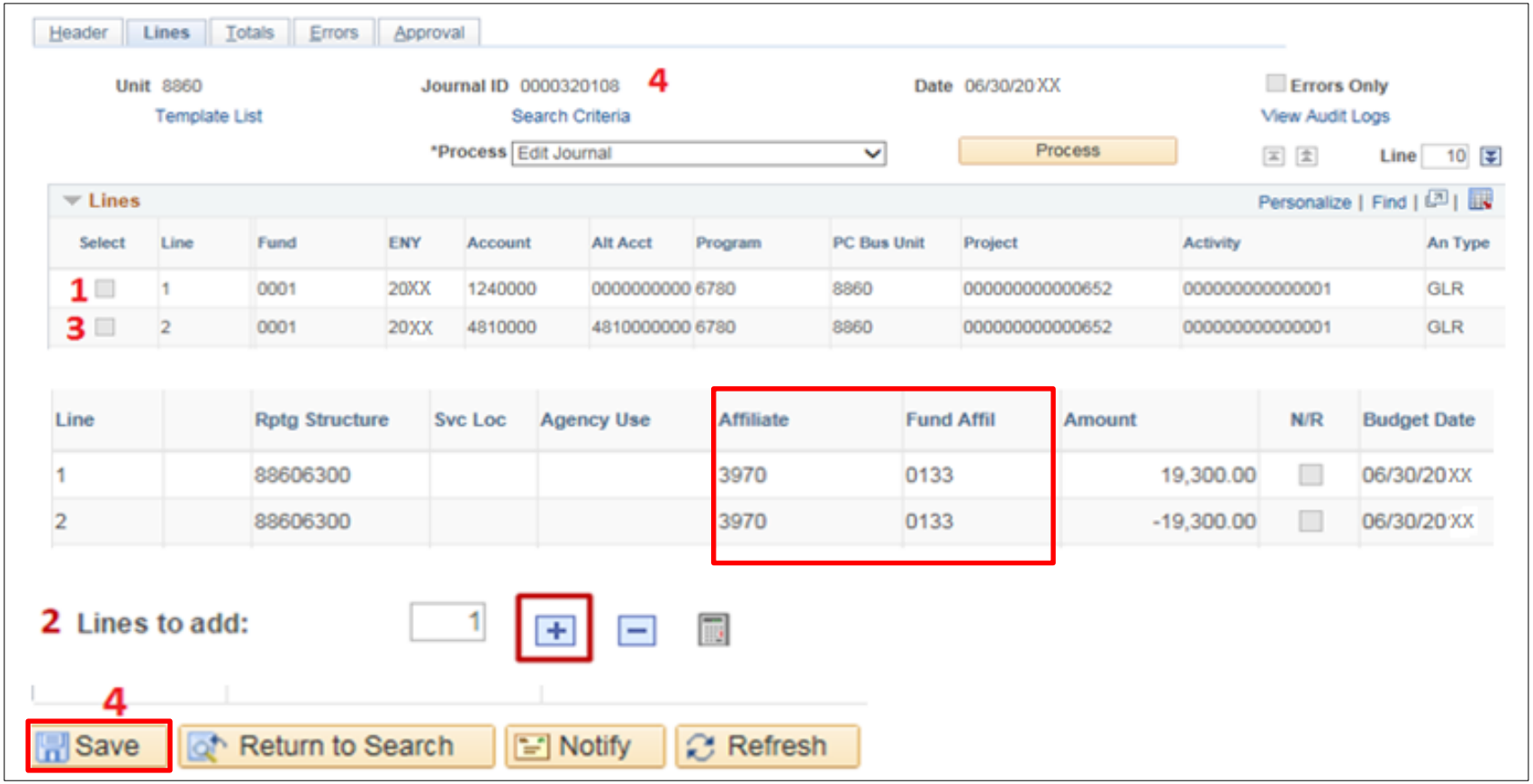
The **GL Journal Processor** will enter the Journal **Lines**.

1 – Enter Debit Line: Fund, ENY, Account, Alt Acct, Program, An Type, Rptg Structure**,** Affiliate, Fund Affiliate, and Amount. If a project is associated with this reimbursement, enter the PC Business Unit, Project ID. and Activity.

2 – Click on ⊞ to insert a line

3 – Enter Credit Line: same as step **1** above.

4 – Click **Save**. The system will assign a Journal ID. Note the Journal ID number on the source document.

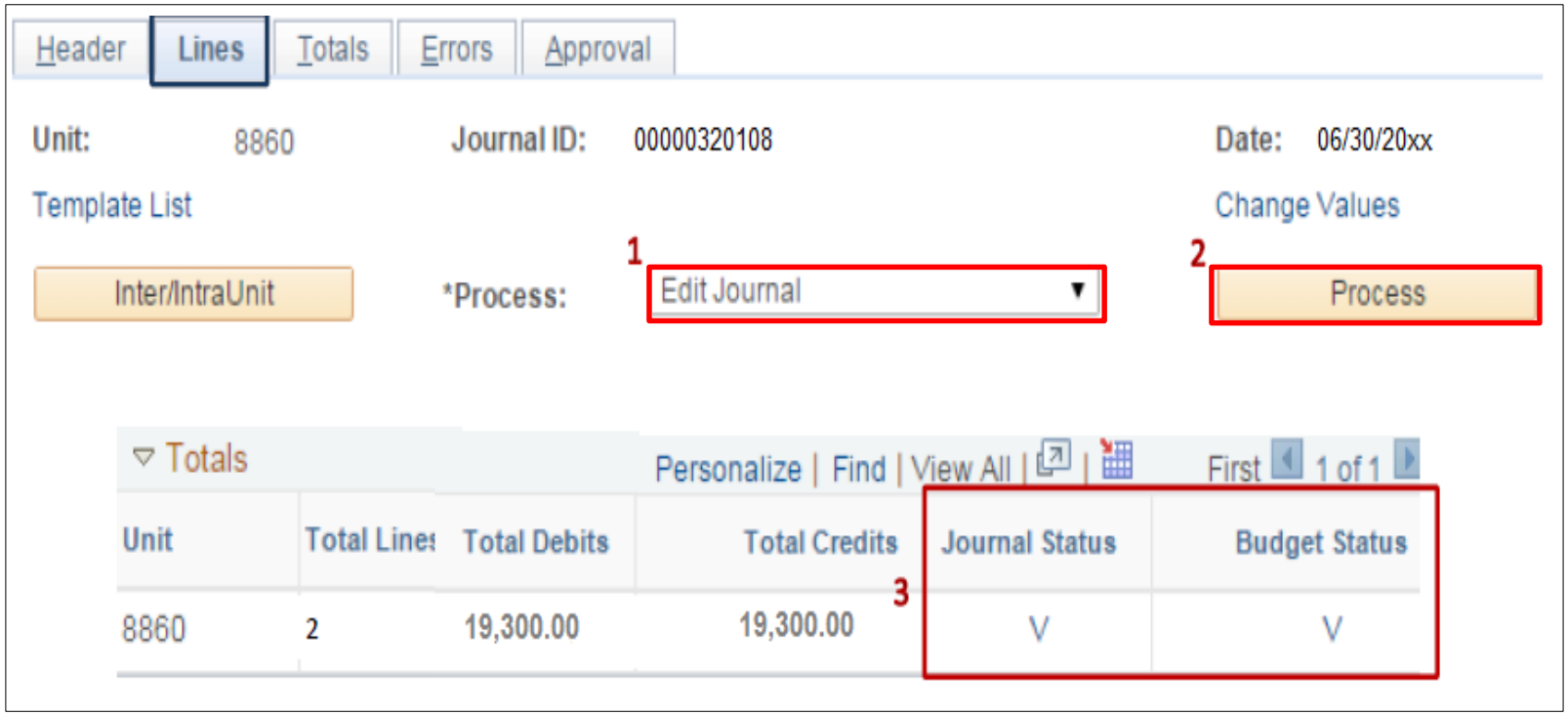


The **GL Journal Processor** will run the Edit Journal Process.

1 – Select **Edit Journal** in the Process drop down menu.

2 – Click **Process**

3 – Check that Journal Status and Budget Status show "V" for Valid.

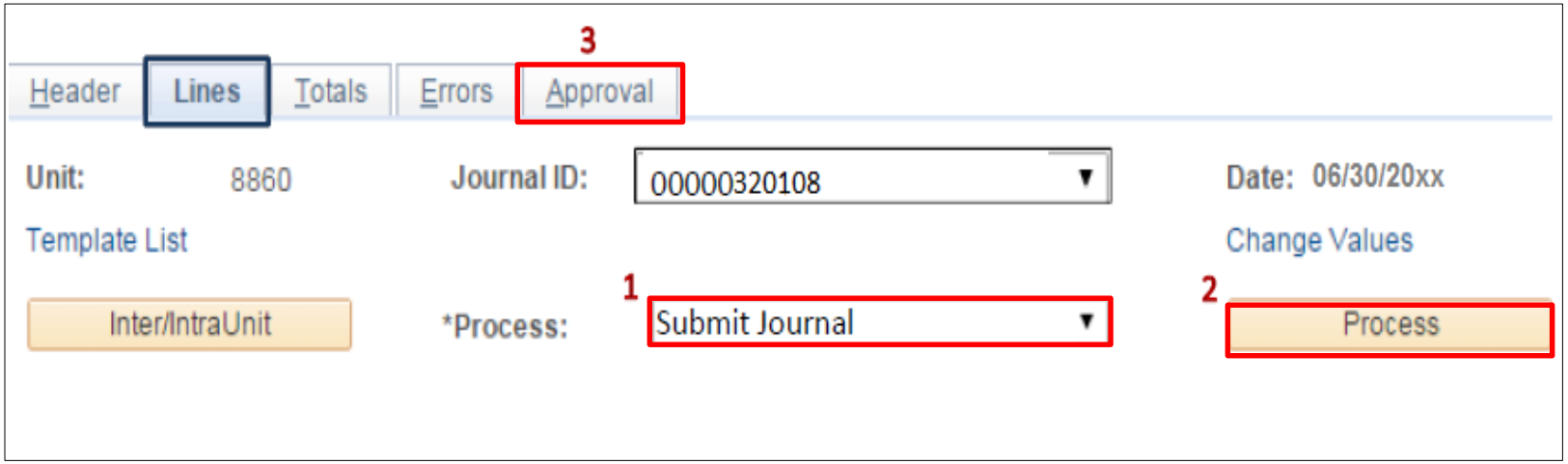


The **GL Journal Processor** will submit the Journal for Approval.

1 – In the Journal Lines tab, select **Submit Journal** from the Process drop down menu.

2 – Click **Process**. The GL Journal Approver will receive an automatic notification of the journal.

3 – Click the **Approval** tab to view the journal workflow. Your journal will show as Pending.



The **GL Journal Approver** will approve the Journal

Follow the steps in Job Aid FI$Cal.094 – Approving a GL Journal to approve the Journal.

Reversing Entries in the New Year

After the journal is approved and posted in Period 998, the **GL Journal Processor** will copy the journal to create the manual reversal entries in Period 1.

Accrual journal entries must be manually reversed in Period 1 of the new fiscal year.

Note:

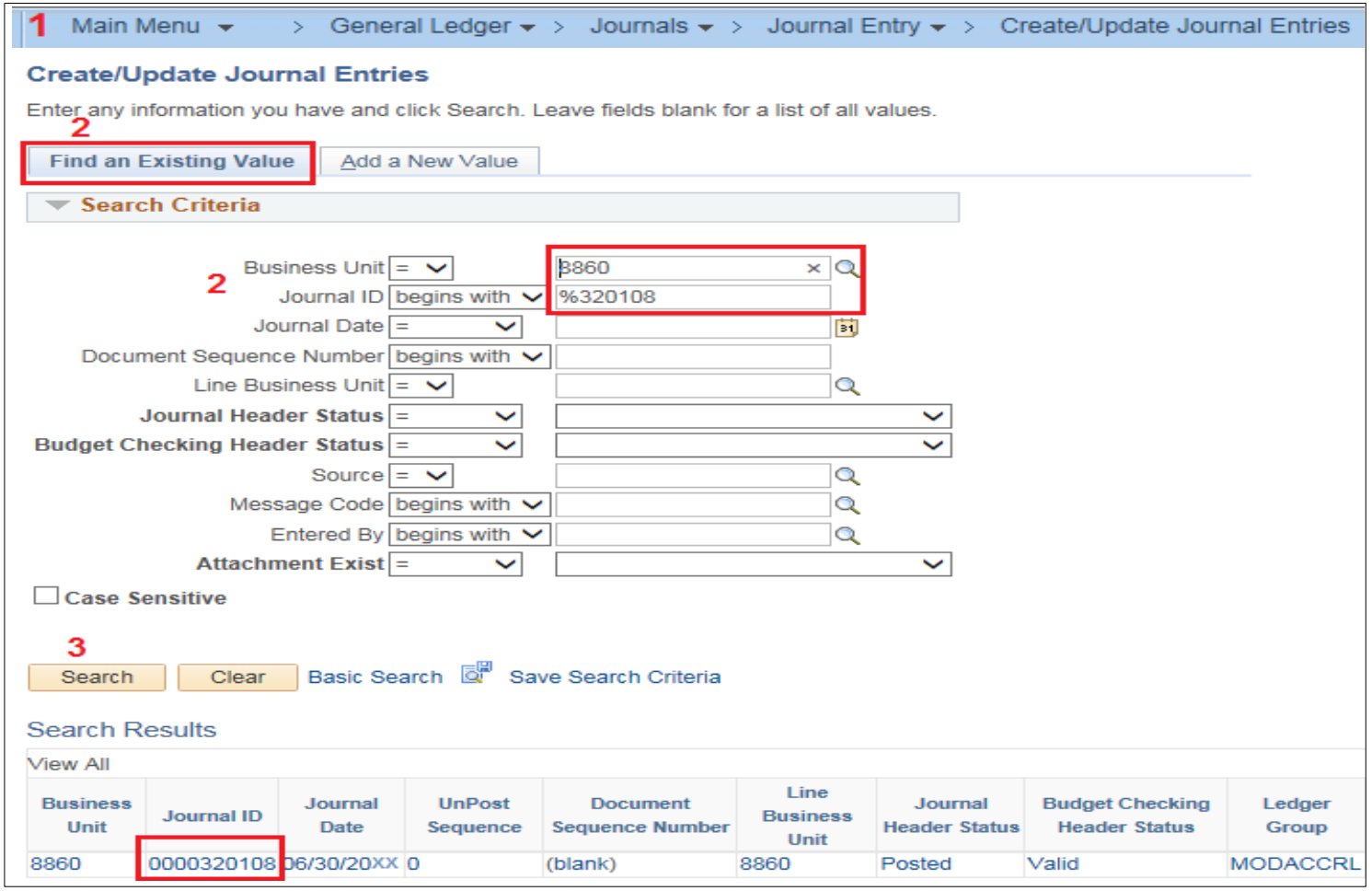
- DO NOT use the "automated reversal" option. This method will create budget check errors in the new year.
- Year-End accrual entries posted in Period 998 and the reversal entries created in Period 1 should net to zero.

The **GL Journal Processor** will retrieve the journal entry for reversal in the New Year.

1 – Navigate to *GL>Journals>Journal Entry>Create/Update Journal Entries*

2 – Enter the *Business Unit* and *Journal ID* in the **Find an Existing Value** tab

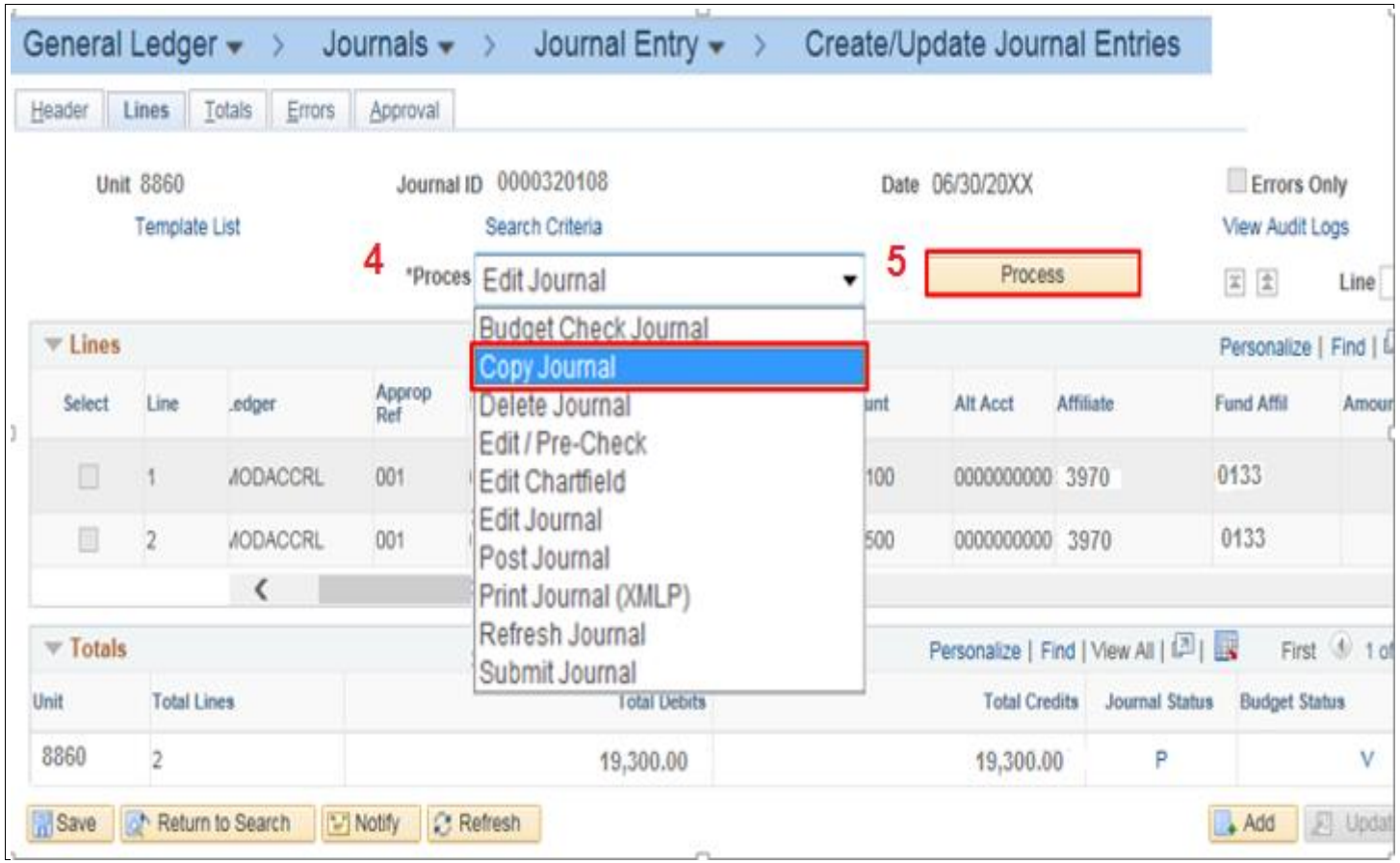
3 – Click **Search** and select Journal ID



Copy Journal Entry for Reversal

4 – Select **Copy Journal** from the Process drop down menu.

5 – Click **Process**

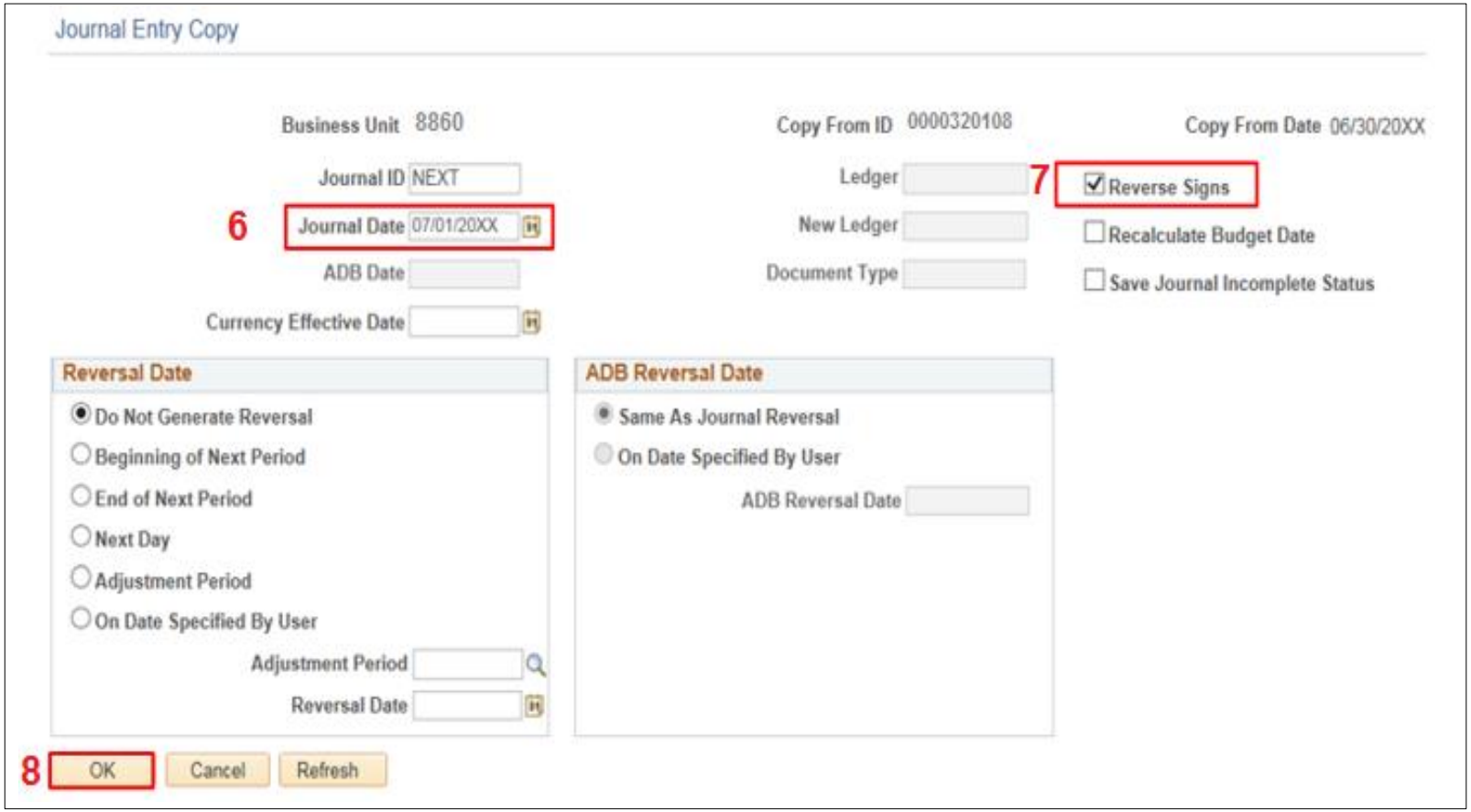


Edit the **Journal Entry Copy** Screen

6 - **Journal Date**: 07/01/20XX (new fiscal year)

7 - Check **Reverse Signs**

8 - Click **OK**



Update the **Header** Page:

9 – Journal ID: A new number will be generated for this entry

10 – Long Description: Add "Reverse **JRNL 0000XXXXXX** (A-3 Accrue AR Reimbursement and Abatement)"

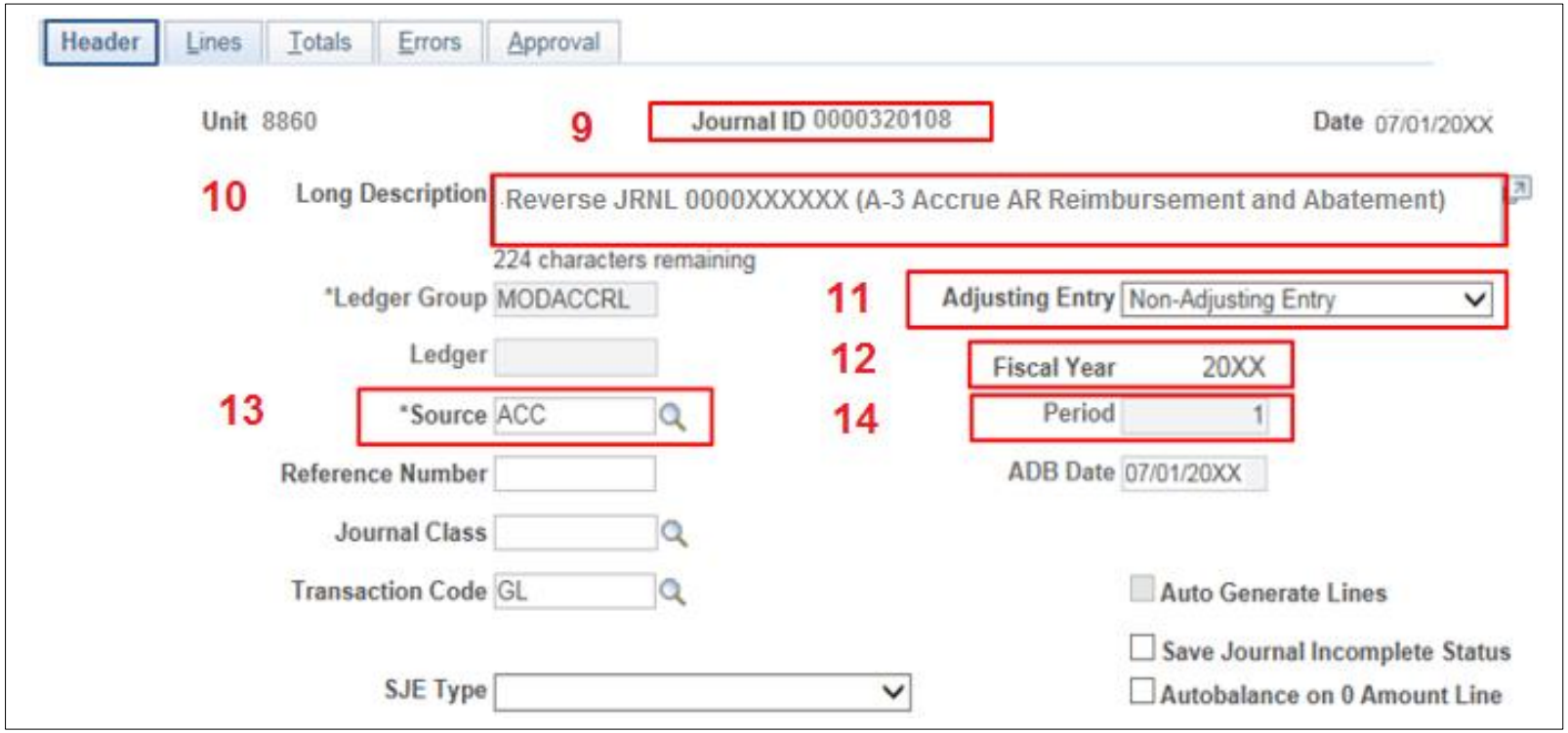
11 – Adjusting Entry: Select Non-Adjusting Entry

Caution: If "Adjusting Entry" is posted by mistake, delete the transaction and start over.

12 – Fiscal Year: 20XX (New FY)

13 – Source: ACC (Transactions entered as ACC in 998, are reversed as ACC.)

14 – Period: 1



Edit and Post Journal:

15 – Verify Entries are reversed. The journal lines should be the same as the original accrual journal except the signs (+/-) are reversed for all the amounts. The "N/R" column should be checked.

16 – Review Budget Date to make sure it follows Enactment Year (ENY). If not, edit date.

17 – Select **Edit Journal** from the Process drop down menu.

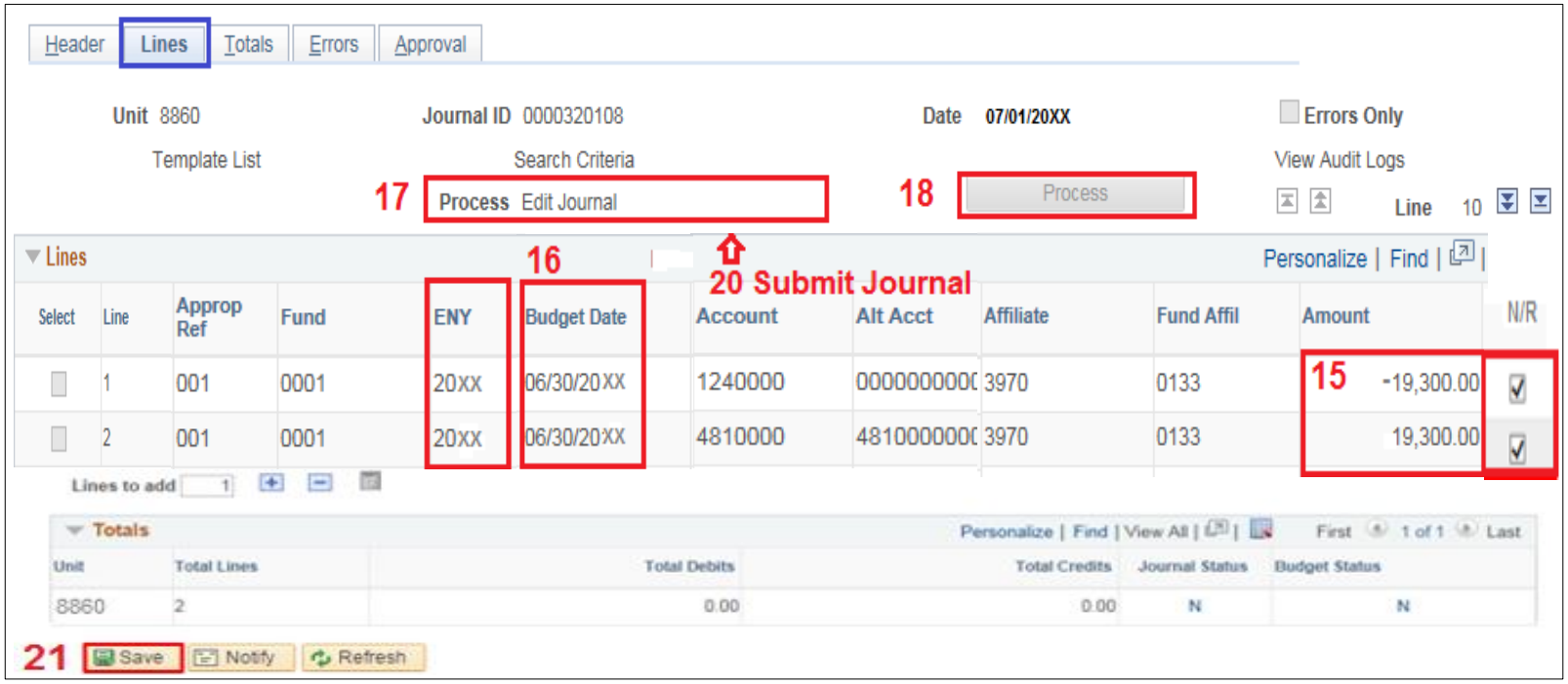
18 – Click **Process**

19 – The **Budget Status** will show "V" for Valid

20 – Select **Submit Journal** from the Process drop down menu for approval. Click **Process**.

21 – Click **Save**.

22 – After the journal is approved, it will be posted.



Tips:

- Record **accrual** entries in **Period 998**, Source: **ACC**, and Adjusting Entry: **Adjusting Entry**.
- Record **reversal** entries in **Period 1** of the new fiscal year, Source: **ACC**, and Adjusting Entry: **Non-Adjusting Entry**.
- Journal lines posted to Account 1240000 or 1240100 – Due From Other Funds/Appropriations **must** include values in the **Affiliate** and **Fund Affiliate** fields.
- When entering an AR for Reimbursement, fill in the Project and Activity fields if you are using project activity to track reimbursement.
- Always write down the **Journal ID number** on the supporting document for future reference.